

EXHIBIT 1

The expansion of U.S. industry in overseas areas during the past ten years has been one of the dynamic factors in the growth of the Gross National Product, and the dollars returned to the United States from overseas operations of manufacturers have more than compensated for the original investments. Apart from the purely financial considerations the psychological effect of stringent restrictions would be immeasurable. We feel that effective alternatives should be the subject of highest priority to the U.S. Government.

We point out also that the restrictions place an unfair burden on newer manufacturers while causing few problems to large international companies that have been manufacturing overseas for many years. Moreover, they are unfair to companies that participated in the voluntary programs. These companies, as a consequence of their cooperation, have a smaller base on which to calculate the amounts which they may reinvest abroad.

These are just a few of the substantive areas which we believe need close attention during this Committee's current study.

Turning now to the administrative or procedural side of this question, we believe that all the diversified elements of the U.S. Government concerned with foreign trade should be centralized in a single agency of cabinet level. This recommendation is based on the experience and advice of manufacturers who form our International Department.

At present, in addition to the Office of the Special Representative for Trade Negotiations, there are elements of the Department of Commerce, Department of State, Department of Defense, and many other agencies directly concerned with aspects of foreign trade. For a company to obtain a major decision it is often necessary to deal with all these agencies, and frequently several offices in each, with a consequent loss of time and money. We believe that a single agency, comparable to the Ministry of Foreign Trade in many other countries, would go far toward eliminating present confusion and duplication of effort.